

Multi-year Expert Meeting
on Transport, Trade Logistics and Trade
Facilitation:

**Transport and logistics innovation
towards the review of the Almaty
Programme of Action in 2014**

22-24 October 2013

**TRANSPORT AND TRADE FACILITATION ALONG THE
NORTHERN CORRIDOR:
CHALLENGES, EXPERIENCES AND ICT INITIATIVES
TOWARDS A SMART CORRIDOR**

by

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TRANSPORT AND TRADE FACILITATION ALONG THE NORTHERN CORRIDOR: CHALLENGES, EXPERIENCES AND ICT INITIATIVES TOWARDS A SMART CORRIDOR

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Outline

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- Introduction
- Challenges
- Experiences, Recent ICT initiatives and Best Practices
- Conclusion



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What is the Northern Corridor?

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- The Northern Corridor is a multi-modal corridor, encompassing: Road, rail, pipeline and inland waterways transport
 - ▣ Busiest and most important transport route in East and Central Africa
 - ▣ Providing gateway linking Kenya's Maritime Port of Mombasa to the landlocked economies of Uganda, Rwanda, Burundi and South Sudan. It serves also the Eastern Part of DR Congo, Northern Tanzania and Ethiopia.

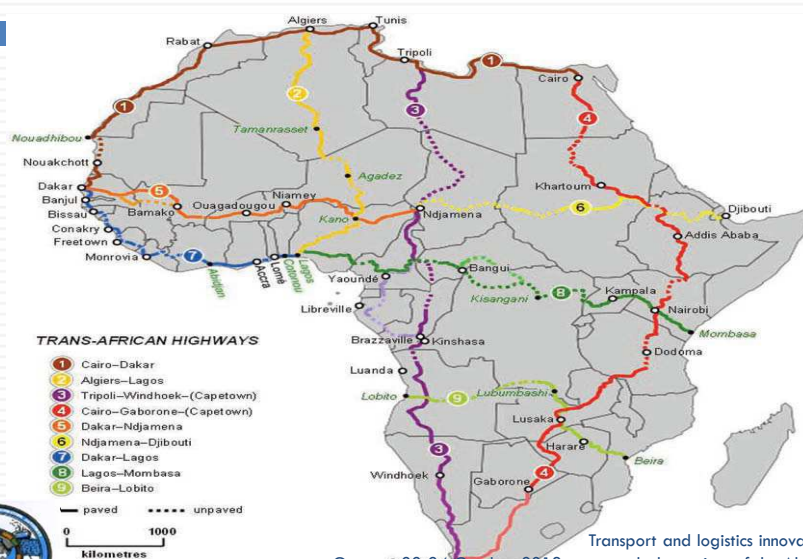


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Where is the Northern Corridor?

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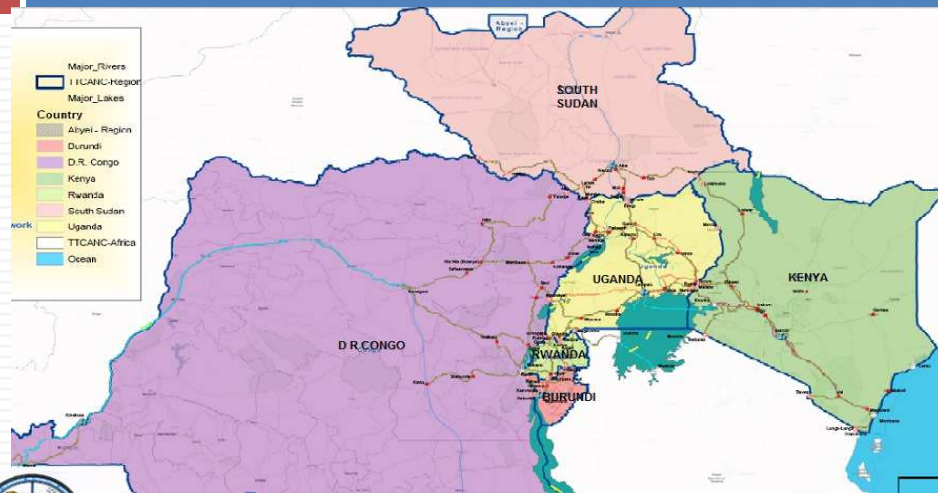


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Which are the Northern Corridor transit routes?

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Which institutional framework for the Northern Corridor?

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- The Northern Corridor Transit Transport Coordination Authority (NCTCA), which the Secretariat based in Mombasa, Kenya; was:
 - ▣ Established in 1985 to oversee the implementation of the Northern Corridor Transit and Transport Agreement (NCTTA) provisions, ratified by Member States (MS) in 1986 which are Kenya, Rwanda, Burundi, Uganda. The DR Congo joined the Organization in 1987 and recently in December 2012, the South Sudan.
 - ▣ The NCTT Agreement's main objectives includes:
 - Facilitating and Enhancing the seamless movement of trade and traffic across the region.
 - Stimulating economic and social development in the Contracting parties
 - Transforming the Corridor into a development corridor
 - Implementing strategies for offering safe, fast, competitive transport and ensuring environmental sustainability



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Challenges

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- The international and intra-regional trade as engine of economic growth in the region is hampered **by High costs of doing business:**
 - ▣ **High costs of transport and delays**
 - ▣ **Numerous NTBs and associated administrative costs along the transit chain:**
 - **Lack of implementation by MS of various protocols on trade and transport facilitation**
 - **Low level of awareness of laws, regulations & agreements/conventions**
 - **Lack of facilitation mindset**
 - **Limited capacity to package bankable projects**

→ The whole related costs are allocated gradually to the Landlocked Member States

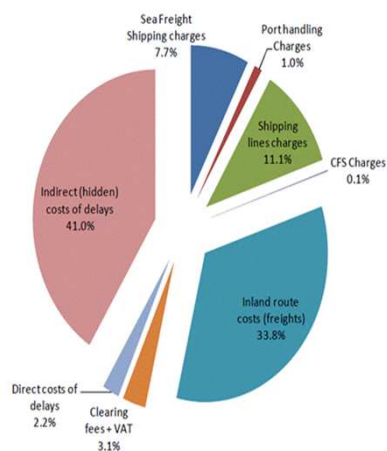


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Northern corridor logistics costs structures

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- ▣ 37% of the Total logistics costs in Landlocked NC's Member States are attributable to road transport costs
- ▣ Direct costs of delay contributed to more than 2% of the total Logistics costs
- ▣ Hidden costs of delays constitute 40% of the Total Log. Costs
- ▣ **Delays on the northern transport corridor is estimated to cause a loss of an estimated \$ 800 per day per truck, hence increasing the cost of doing business in the region**

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Experiences, Recent ICT initiatives and Best Practices

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Some recent initiatives and Best practices includes:

- **Development of Infrastructure Master Plan** developed in 2010
- **Strategic Plan 2012-2016** towards a **seamless and smart transport corridor** outlining the key strategic areas:
 - **Harmonization and streamlining of policies and legal framework for transport and trade facilitation**
 - **Development of opportunities for private sector investment and participation in the NC**
 - **Expansion and improvement of transport infrastructure and services**
 - **Enhancement of knowledge management, partnership and capacity building**



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Experiences, Recent ICT initiatives and Best Practices

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- **12 One Stop Border Posts(OSBP)project** earmarked to be developed
- **OSBP at Malaba, Busia (Ke, Ug) Gatuna/Katuna (Ug, RW) being implemented**
- **OSBP FS finalized (Mpondwe-Kasindi (Ug,DRC) , Gisenyi-Goma (Rw,DRC) and Akanyaru-Kanyaru Haut (RW/Bu) and Bilateral Meetings underway for OSBP implementation and management**
- **Institutionalization of Joint Borders Committees(JBCs) to streamline transit nodes operations**



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Experiences, Recent ICT initiatives and Best practices

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- Integrated Border Management (IBM) taking stock of IT systems integrated
- RADDEX (Revenues Authorities Documentation and Data Exchange)
- Joint Verifications by Agencies at set time on daily basis
- Electronic Single Windows (ESWs) underway to integrate Operators Systems at country level
- Electronic Cargo Tracking Systems (Kenya, Uganda,...)

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Experiences, Recent ICT initiatives and Best practices

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- Migration to ASCUDA World underway by Customs Authorities
- KWATOS system in place for Management of Port Terminal operations
- 24hr operations at the Port
- Axle load Control (WIM):
 - removal of Roads blocks in Kenya,
 - Reduction of Weigh bridges from 7 to 4 towards 2.
- Pilot Single Customs territory: stationing Uganda and Rwanda Customs Officers at Mombasa Port

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Experiences, Recent ICT initiatives and Best practices

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- Transport observatory(web based system) to monitor the corridor performance; launched in Dec. 2012.
- Regular Roads surveys undertaken to guarantee best practices and align procedures and operations with the NCTTA provisions
- **These tools need to be sustained and monitored, however the dysfunctional of logistics services and lack of facilitation mindset still hampering the success of these solutions**

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... Recent ICT initiative

...Identification of Causes of delays

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- The Transport Observatory Portal(TOP) is a web based system to monitor the Northern Corridor Performance by
 - Identifying and map the various bottlenecks/NTBs and the causes of delays: IT data, GPS, Surveys
 - Diagnosing and Analyzing a set of 25 indicators on volume& capacity, transit time and delays, rates and costs, efficiency and productivity
 - Identifying of areas for improvement vs. targets /benchmarks
 - Creating a database towards establishing an evidence-based regional platform being used by the policy and decision makers:
<http://top.ftcanc.org> or www.ftcanc.org
 - Facilitating formulation of policies leading to better transit and trade facilitation, partnership and cooperation between NC's MS



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Conclusion

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- Northern Corridor next steps:
 - **Sustaining the partnership in infrastructure development (hard and soft)**
 - **Strengthening Transport and Trade Facilitation**
 - **Harmonization and streamlining of policy , legal framework and regulations**
 - **Enhancing of productive capacity and promoting the private sector investment**
 - **Development of Database on Intra-regional trade**



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Conclusion

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- **Capacity building and sustaining the Willingness of regional organizations to harmonize their policies and regulations; i.e. Tripartite (COMESA, EAC, SADC) and Corridor Authorities**
- **Definition of a strong M&E mechanism fostering a national & regional ownership of the New APoA**

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Contact us

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Aksante

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Thank you for your attention



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